



C O N T E N T S

(Information as of noon EDT, 20 October 1966)

Far East

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North Vietnam's Le Thanh Nghi has returned from a three-month tour with new long-term grants and loans from the USSR, China, North Korea, and seven European Communist coun- tries.	25x1
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Europe

MOSCOW ACHIEVES SHOW OF SOLIDARITY AGAINST CHINA
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China.

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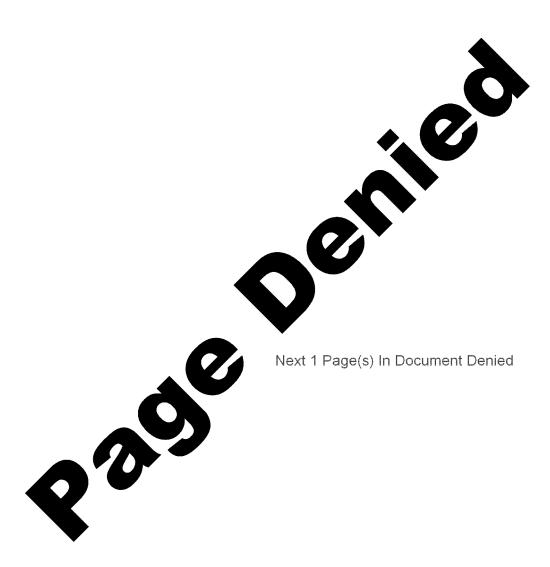
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VIETNAM

Military activity in South Vietnam this week was mainly focused in the Mekong Delta area where South Vietnamese Army (ARVN) forces and Viet Cong units fought a series of sharp engagements. Significant Viet Cong encounters with the South Vietnamese units also occurred elsewhere in the country. The attacks could presage stepped-up Communist efforts against the South Vietnamese as opposed to other allied forces.

On 15 October, elements of an ARVN Ranger Battalion sustained more than 100 casualties when engaged by an estimated Viet Cong company during a local security operation in the Capital Special Zone, about 10 miles southwest of Saigon (see map on page 3). In Kien Tuong Province on 16 and 17 October, government troops, supported by US air and naval units, attacked a Viet Cong flotilla of 150-200 supply-laden sampans on the inland waterways of the Mekong River, 55 miles southwest of Saigon. Enemy losses were 147 soldiers killed, 72 sampans destroyed, and nearly 100 weapons captured.

Heavy fighting erupted again in the delta on 18 October, when an ARVN Regiment was engaged by two Viet Cong battalions during the initial helicopter-landing phase of a search-and-destroy op-

eration 27 miles southwest of Can Tho, in Chuong Thien Province. In the nine-hour battle that ensued, one US Army helicopter was destroyed and 23 damaged by enemy ground fire. US casualties were one killed and ten wounded; 29 ARVN soldiers were killed and 67 were wounded, as against enemy losses of 138 killed.

Further evidence of an upsurge in Communist aggressiveness against South Vietnamese units was the initiation of battalion-sized attacks on 16 and 17 October against a government district headquarters in Binh Thuan Province and a Regional Forces company southwest of Da Nang.

Viet Cong terrorists were also unusually active during the week, exploding mines and grenades near two US military billets in Saigon and in a theater filled with ARVN soldiers in Quang Tricity. In addition, the US Army POL pumping station at Phan Rang, in coastal Ninh Thuan Province, was heavily damaged by Viet Cong saboteurs. The over-all rate of Communist military and terrorist actions was up sharply for the week, suggesting a new offensive phase.

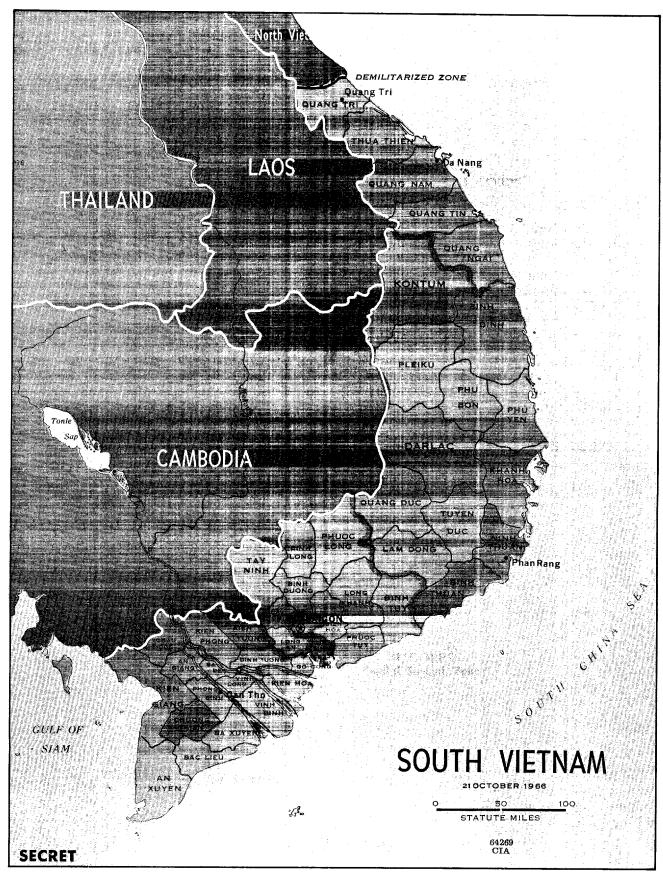
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DRV Official Completes Tour	
North Vietnam's Communist allies have once again lined up solidly to provide new economic support for Hanoi. Vice Premier Le Thanh Nghi is returning from a three-month tour of Communist Europe and Asia with new longterm grants and loans from the Soviet Union, China, North Korea, and seven European Communist countries. Few details have been given to distinguish the new agreements from those signed last winter.	25X1

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MOUNTING DISARRAY IN PEKING

The anticlimactic Red Guard rally in Peking on 18 October and the unusual events surrounding it point to what may be a new and more critical stage in the ongoing power struggle within the Chinese Communist leadership. Developments during the past ten days or so suggest that the drive by the Lin Piao - Chou En-lai faction centered around Mao Tse-tung against opponents within the party machinery has been stalled by counterattacks and that the issue now hangs in precarious balance.

Press accounts of preparations for the rally indicated that a demonstration of major importance was in prospect. Facilities were provided to care for the needs of a vast mob, which began to assemble about 3:00 a.m. on 18 October and grew to more than 1.5 million people.

They were kept waiting behind strong cordons of troops for close to ten hours. About one o'clock Mao, Lin Piao, and other leaders drove by the crowd in a motorcade of nine open cars at a speed of 20 miles per hour. When this "review"

was completed the crowd was informed that the rally was over. No troops or Red Guard units paraded, no speeches were given, and compared with the four previous Peking mass meetings held during the past two months the whole show was singularly pointless. The signs of growing political tension preceding this abortive rally suggest that the division in the leadership is so great that at the last moment no agreement could be reached on who was to speak or what was to be said.

Peking's official account of the affair, not broadcast until early the following morning, was comparatively brief and appeared designed to convey an impression of stability and unity in the leadership. It described events factually, listed in the currently accepted order the top officials taking part, and bore down heavily on descriptions of enthusiasm and affection aroused in the crowd by the sight of Mao. Press coverage on 19 October took the same line.

Official spokesmen questioned by reporters before the rally refused to comment on its purpose

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but the upsurge in Red Guard attacks on important party figures during the preceding week suggests that the intended thrust of the demonstration was against those identified by Lin Piao in speeches at previous rallies as "those in power who have wormed their way into the party and are taking the capitalist road."

"Big character posters" put up by Red Guards in Peking concentrated attacks on Li Hsueh-feng, who replaced the fallen Peng Chen as first secretary of the Peking party committee, but other important officials have been under fire. Li has been the target of this kind of criticism since late August but the pace of the attack increased sharply last week.

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On 12 October Red Guards staged a demonstration in front of municipal party

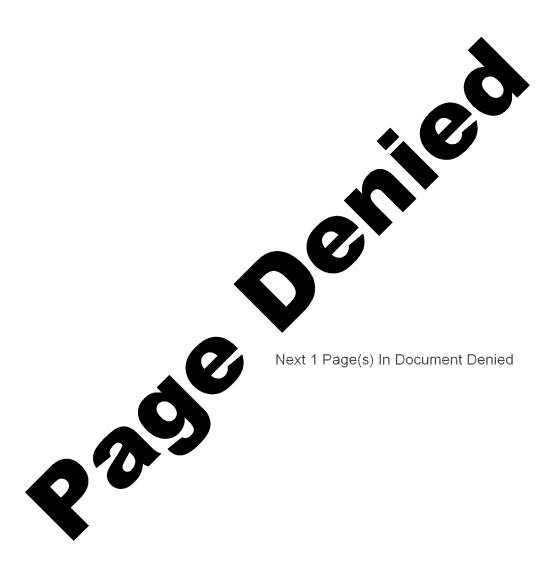
ber Red Guards staged a demonstration in front of municipal party headquarters and posted demands that Li's party committee be "impeached to the bottom." in front of Peking party headquarters on 16 October charged Li with "oppression of revolutionary operational units" and extended the attack to include Liu Shao-chi by demanding an explanation of Li's action in calling a student meeting on 2 August to which Liu 25XX Shao-chi was invited.

Despite the fact that the rally was not used to press the attack against the party, pressure on important figures in the hierarchy continues and will probably increase. Red Guards staged another demonstration in front of Peking party headquarters on 19 October. A bloodthirsty editorial in People's Daily on the same day quoted an early revolutionary author's prescription for dealing with opponents--"beat the wild dog even though it is already in the water, once you start beating beat it to death."

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Europe

MOSCOW ACHIEVES SHOW OF SOLIDARITY AGAINST CHINA

The gathering of top East European, Cuban, and Mongolian Communists this week in the USSR is a tactical victory for Moscow in its offensive against China. Attendance by leaders of nine ruling Communist parties lends added weight to Moscow's claim that Peking's foreign and domestic policies have met virtually unanimous censure.

Other than China and Albania, the only Communist regimes not represented at the conclave were those of North Vietnam, North Korea, and Yugoslavia. Even North Korea may have been prepared to send a delegation had Hanoi also been persuaded to participate. In the end, however, neither apparently could see its going along with such a patently anti-Chinese maneuver.

The presence of Rumanian chief Ceausescu is a distinct gain for Moscow. The Rumanians in the past have been reluctant to attend such meetings, and only last week Ceausescu took care once again to read into the record Rumania's opposition to polemical contention within Communist ranks. The reluctance of the Rumanians, Cubans, and probably some others to join in any multilateral, formal condemnation of Peking, makes it unlikely that there will be any such explicit denunciation.

One is hardly necessary. The anti-Chinese thrust of an ostensible appeal for "united action" in support of Hanoi, for example, has become so obvious as to make more explicit and direct castigation superfluous. Moreover, all participants--except Rumania -- have already openly criticized China, and the Communist leaders arrived in Moscow in the midst of a shrill polemical campaign featuring strong anti-Chinese statements by Brezhnev, Kosygin, and Polish party chief Gomulka.

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The gathering is almost certainly focusing on Vietnam as the issue on which Peking is most vul-The party leaders can nerable. be expected to reiterate their readiness to support Hanoi's war effort, with implicit criticism of China's refusal to cooperate. The Soviets will probably continue to stress the theme that a united Communist front in Europe has kept potential aggressors at bay, while Chinese obstructionism in the East has enabled "imperialism" to intervene with relative impunity in Vietnam.

The Communist leaders may even issue a propaganda statement which would refine earlier gestures indicating readiness to

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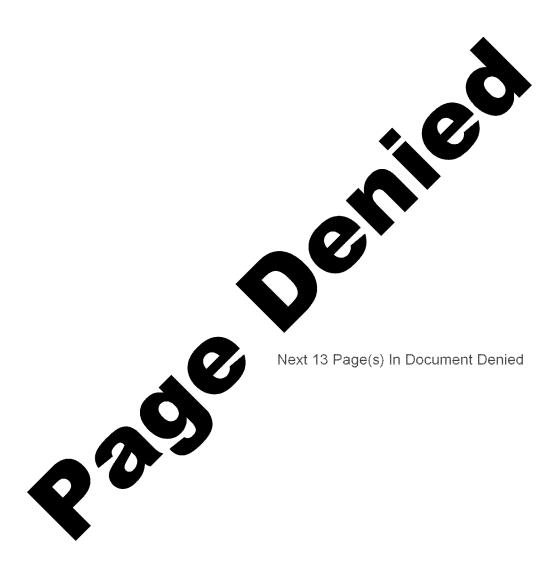
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provide "volunteers" for Vietnam, if and when Hanoi should request them. The presence of East European, Cuban, and Mongolian defense ministers may be intended in part to lend weight to any new pronouncements on Vietnam, by calling particular attention to the military aspects of bloc aid to Hanoi.



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